

Microsoft & Online Privacy

- Microsoft has a single principle that guides our practices around consumer privacy and data protection: **Our customers will be empowered to make informed decisions and control the collection, use and maintenance of their personal information.**
- Microsoft's approach to putting consumers in control of their personal information is based on Fair Information Practices of **Notice; Choice; Access; Security; Enforcement**
- Microsoft and the industry are creating the technology tools to enable consumers to protect their privacy on the Internet. Microsoft is one of several companies leading the development of P3P, an Internet standard that aims to establish a common syntax and vocabulary for describing – in machine readable form – a business's information practices and consumers' privacy preferences.

Privacy protection is an important factor in building consumer confidence. Microsoft's believes that privacy enhancing technologies and business practices offer the best approach to putting consumers in control of their personal information. We believe that consumers should have notice of a companies information collection practices as well as the option of whether or not to share their information. In addition, third party seal programs such as BBBOnline and TRUSTe provide consumers with knowledge that sites that display their seals provide consumers with reasonable access to their information and abide by certain security requirements. Microsoft has subscribed to the "Safe Harbor" provisions of the EU Data Directive.

We are focusing on ways to design privacy enhancements directly into products. We are committed to setting a high level of protection as the default for products and services. We are taking steps to implement an ongoing process of support for privacy programs.

Microsoft believes that further work needs to be done before consideration of online privacy legislation. There are specific concerns about the approach of some legislative proposals:

Because the online marketplace is national, **a national approach to privacy laws makes sense.** Imposing a variety of laws with the potentially varying degrees of protection will be difficult to manage, confusing to consumers, and complicated to enforce.

Creating a **private right of action** to enforce federal or state privacy legislation will lead to unintended consequences. **A system that leads to unmitigated class action lawsuits, especially when actual damages are difficult to assess, is unwarranted.**

Consumers should not be led to believe that passage of *online* privacy legislation will solve their privacy concerns. A vast amount of personal information is collected by offline companies. An equitable approach is needed to **avoid stifling the growth of online commerce by imposing discriminatory requirements** on e-commerce vendors.